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6	Attorneys for Plaintiff CENTER FOR ADVANCED PUBLIC AWARENESS		
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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
10	COUNTY OF SAN FRANCISCO		
11	UNLIMITED CIVIL JURISDICTION		
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14	CENTER FOR ADVANCED PUBLIC AWARENESS,	Case No.: CGC-19-574721	
15	Plaintiff,	INDODOCEDI CONCENT HIDOMENT	
16	v.	[PROPOSED[CONSENT JUDGMENT	
17		(Health & Safety Code § 25249.6 et seq. and Code of Civil Procedure § 664.6)	
18	USA MINISO DEPOT, INC.; MINISO DEPOT CA, INC.; DOES 1-30; <i>et al</i> ,		
19	Defendants.		
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1. <u>INTRODUCTION</u>

This Consent Judgment is entered into by and between plaintiff Center for Advanced Public Awareness ("CAPA") and USA Miniso Depot Inc. and Miniso Depot CA Inc. (collectively, "Miniso"), with CAPA and Miniso each individually referred to as a "Party" and collectively, as the "Parties", to resolve the allegations in the October 22, 2018 60-Day Notice of Violation and the December 17, 2018 Supplemental 60-Day Notice of Violation and avoid costly and protracted litigation, in compliance with the Safe Drinking Water and Toxic Enforcement Act of 1986, Health & Safety Code § 25249.6 et seq. ("Proposition 65").

1.1 Plaintiff

CAPA is a California-based non-profit organization who seeks to protect the environment though the elimination or reduction of toxic chemicals utilized in the manufacture of consumer products and to increase public awareness of those chemicals by promoting environmentally sound practices and corporate responsibility.

1.2 Defendant

Miniso employs ten or more persons and is a person in the course of doing business for purposes of Proposition 65, pursuant to Health & Safety Code § 25249.11(b).

1.3 General Allegations

CAPA alleges that Miniso manufactures, imports, distributes, sells or offers for sale in California the following products without the health hazard warning CAPA alleges is required by Proposition 65: (a) vinyl/PVC cords containing de-(2-ethylhexyl) phthalate ("DEHP") and diisononyl phthalate ("DINP"); (b) shoes with vinyl/PVC components containing DEHP and d-butyl phthalate ("DBP"); and (c) vinyl/PVC jewelry containing DEHP and DINP.

1.4 Listed Chemicals

On October 24, 2003, the State of California added DEHP to the list of chemicals known to cause birth defects, reproductive toxicity and cancer. On December 2, 2005, the State of

December 20, 2013, the State of California listed DINP as a chemical known to cause cancer.

1.5 Product Description

California listed DBP as a chemical known to cause birth defects and reproductive toxicity. On

The products covered by this Consent Judgment are vinyl/PVC cords and jewelry containing DEHP and DINP and shoes with vinyl/PVC components containing DEHP and DBP that are manufactured, imported, distributed, sold or offered for sale in California by Miniso, including, but not limited to, the following: (a) Miniso Cellphone Selfie Light, Item #050018081, Identifier #4 510045 180811 ("Cord Products"); (b) Miniso Comfortable Flip Flops, Item #070045173, Identifier #4 578347 451738 ("Shoe Products"); and (c) Miniso Swim Ring, Item #070042991, Identifier #4 516357 429914 ("Jewelry Products"), hereinafter, collectively, the "Products".

1.6 Notices of Violation

On October 22, 2018, CAPA served Miniso, the California Attorney General and the requisite public enforcement agencies with a 60-Day Notice of Violation ("Notice"), alleging that Miniso violated Proposition 65 when it failed to warn its customers and consumers in California that its Cord Products can expose users to DEHP and DINP.

On December 17, 2018, CAPA served Miniso, the California Attorney General and the requisite public enforcers with a Supplemental 60-Day Notice of Violation ("Supplemental Notice" and, collectively with the Notice, the "Notices"), alleging that, in addition to the Cord Products named in the original Notice, Miniso also violated Proposition 65 when it failed to provide a warning to consumers and customers in California that its Jewelry Products can expose users to DEHP and DINP and its Shoe Products can expose users to DEHP and DBP.

To the best of the Parties' knowledge, no public enforcer has commenced and is diligently prosecuting an action to enforce the allegations set forth in the Notices.

1.7 Complaint

On March 22, 2019, CAPA commenced the instant action ("Complaint"), naming Miniso as one of the defendants for the alleged violations of Proposition 65 that are the subject of the Notices.

1.8 No Admission

Miniso denies the material, factual, and legal allegations contained in the Notices and Complaint, and maintains that all of the products that it has sold or distributed for sale in California, including the Products, have been, and are, in compliance with all laws. Nothing in this Consent Judgment shall be construed as, nor shall compliance with this Consent Judgment constitute or be construed as, an admission by Miniso of any fact, finding, conclusion of law, issue of law, or violation of law. This section shall not, however, diminish or otherwise affect Miniso's obligations, responsibilities, and duties under this Consent Judgment.

1.9 Jurisdiction

For purposes of this Consent Judgment only, the Parties stipulate that this Court has jurisdiction over Miniso as to the allegations contained in the Complaint, that venue is proper in the County of San Francisco, and that the Court has jurisdiction to enter and enforce the provisions of this Consent Judgment pursuant to Proposition 65 and Code of Civil Procedure § 664.6.

1.10 Effective Date

For purposes of this Consent Judgment, the term "Effective Date" shall mean the date this Consent Judgment is approved by the Court, including an unopposed tentative ruling.

2. <u>INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS</u>

2.1 Commitment to Reformulate or Provide Warnings

Commencing on the Effective Date and continuing thereafter, Miniso shall only manufacture, import, sell or distribute for sale, in or into the State of California, Products that are

either: (a) Reformulated Products, as defined by Section 2.2, below; or (b) Products that are labeled with a clear and reasonable warning, as set forth under Sections 2.3 and 2.4.

2.2 Reformulated Products Defined

For purposes of this Consent Judgment, "Reformulated Products" are defined as Products containing DEHP, DINP and/or DBP in a maximum concentration of less than 0.1 percent (1,000 parts per million) in each accessible component (i.e. any component that may be touched during a reasonably foreseeable use) when analyzed by a laboratory accredited by the State of California, a federal agency, or a nationally recognized accrediting organization. For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission (CPSC) methodology CPSC-CH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency (EPA) methodology 8270D, or other methodologies utilized by federal or state government agencies to determine phthalate content in a solid substance.

2.3 Clear and Reasonable Warnings

Commencing on or before the Effective Date and continuing thereafter, Miniso shall provide clear and reasonable warnings, as set forth in this Section and in accordance with Title 27, California Code of Regulations § 25600 et seq., for all Products manufactured, imported, sold, or otherwise distributed or provided for sale to customers in California that are not Reformulated Products. Each Product warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use. Each Product warning shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies, so as to minimize the risk of consumer confusion. For purposes of this Consent Judgment, a clear and reasonable warning displayed or transmitted according to the criteria detailed in Cal. Code Regs. § 25602 et seq. and detailed below shall satisfy these requirements.

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MARNING: This product can expose you to DEHP and DINP, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

Or

MARNING: This product can expose you to DEHP and DBP, which are known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

Or, if placed directly on the Product or its labeling, Miniso may, at its option, utilize the following short-form warning statement, provided it appears in a type size no smaller than the largest type size used for other consumer information on the Product's label, and in no case smaller than six-point type, as follows:

MARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov For purposes of this Consent Judgment, "Product Label" is defined as display of written, printed or graphic material that is printed on or affixed to a Product or its immediate container or wrapper. The entire warning shall appear in a type size of at least 6-point type and in no event smaller than the largest type size used for other consumer information on the product.

Internet and Mail Order Catalog Warnings 2.4

Miniso agrees that, if, after the Effective Date, it sells Products that do not meet the definition of Reformulated Products via the internet or by mail order catalog, Miniso shall provide a warning for each Product, pursuant to Section 2.3, supra, and subject to the following requirements.

For all Products sold to consumers in California via a catalogue printed after the Effective Date that do not qualify as Reformulated Products, Miniso agrees to provide a warning both on the Product label and in the written text of the catalog, in a manner that clearly associates the

warning with the specific Product being purchased, such that the consumer does not have to search for it in the general content of the catalog. The warning shall be in the same type size or larger than other consumer information provided for the Product within the catalog and on the same page and in the same location as the display and/or description of the Product.

For all Products sold via the internet to consumers or customers located in California that do not qualify as Reformulated Products, the warning requirements of this Section shall be satisfied if, prior to purchase, as described in Section 2.3: (a) a warning appears on the same web page, in the same type size or larger than the Product description text, as the Product; (b) a warning appears on the same web page as the price for the Product, in the same type size or larger than the Product description text; (c) a warning appears on one or more web pages displayed to the consumer prior to purchase, in the same type size or larger than the Product description text; or (d) a hyperlink, clearly marked "WARNING" appears on the same web page and in the same location as the display and/or description of the Product, in type large enough so that the consumer does not have to search for it, and a prominently placed warning appears elsewhere, such as on the Product description page, in a manner that clearly associates it with the Product to which the warning applies, prior to checkout or purchase.

If Miniso utilizes the short-form label content, pursuant to Cal Code Regs. §25602(a)(4) and detailed above, the warning provided on the website or in the catalog may use the same content.

3. MONETARY SETTLEMENT TERMS

3.1 Monetary Agreement

In full satisfaction and settlement of all claims alleged in the Notices, the Complaint and this Consent Judgment, and pursuant to Health & Safety Code § 25249.7(b) and California Code of Regulations title 11, Chapter 4, §§ 3203 and 3204, Miniso agrees to pay a total of \$41,000 in civil penalties, additional settlement payments and attorneys' fees, subject to Court approval, as contemplated by Section 5. All payments due under this Consent Judgment shall be remitted

within five (5) days of the Effective Date, detailed supra at Section 1.10, and delivered to the address in Section 3.6, below.

3.2 Civil Penalty Payments

Pursuant to Health and Safety Code § 25249.7(b), Miniso agrees to pay a total of \$8,500 in civil penalties. Miniso's civil penalty payment will be allocated according to Health and Safety Code §§ 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment (OEHHA), and the remaining twenty-five percent (25%) of the penalty payment retained by CAPA. On or before the Effective Date defined at Section 1.10, Miniso shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$6,375; and (b) "Gates Johnson Law, Client Trust Account" in the amount of \$2,125. CAPA's counsel shall be responsible for delivering OEHHA's portion of the penalty payment.

3.3 Additional Settlement Payments

Subject to Court approval, as contemplated by Section 5, below, Miniso agrees to make a payment of \$2,500 to CAPA as an Additional Settlement Payment ("ASP"), pursuant to California Code of Regulations, title 11, Chapter 4, §§ 3202 and 3204. In accordance with California Code of Regulations § 3204(b)(6), the following paragraphs detail the utilization and documentation of the additional settlement payment.

(a) Payment Recipient

CAPA, a tax-exempt, California-based, nonprofit organization, shall be the sole recipient of any payment under this Section and shall be fully accountable, utilizing the allocated ASP according to the foregoing designated purposes. No individual or entity, other than CAPA, has an economic interest in any part of the payment described in this Section.

(b) Nexus Between Harm Alleged and Usage of Payment

CAPA will utilize the additional settlement payment to address the same harm as alleged in the Notices, Complaint, and this Consent Judgment, namely the elimination or reduction of

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toxic phthalates found in consumer products in the State of California. CAPA's stated mission is: to educate consumers about the chemicals and toxins present in consumer goods to which they are exposed; to protect California citizens from exposures to toxic chemicals; and to hold companies accountable for such exposures, through advocacy and, where necessary, litigation, to effectuate change and reduce the potential for future harm. To create a safer environment and a more knowledgeable citizenry, CAPA actively pursues enforcement of laws designed to protect California citizens from the health hazards that arise as a result of the manufacturing of consumer goods containing harmful chemicals and seeks to educate consumers about the health effects of exposures to toxic chemicals.

(c) Payment-Funded Activities

There is a direct nexus between the additional settlement payment and the harm alleged: the Notices, Complaint and this Consent Judgment all seek to remedy allegations involving phthalate chemicals in consumer goods in California, including DEHP, DINP and DBP, and CAPA will utilize the additional settlement payment to fund to seek a reduction in phthalates in consumer goods generally and to educate the California public about the health hazards associated with exposures to phthalate chemicals in levels exceeding recommended amounts.

Specifically, CAPA will designate the funds according to the following activities: (1) ENFORCEMENT (70-80%): investigating, obtaining, analyzing, and testing similar products that contain phthalates, including DEHP, DINP and DBP; consulting with toxicologists regarding new phthalate exposures based on initial product assessments; continued monitoring and enforcement of past settlements to ensure compliance with required settlement terms and obligations, namely elimination or reduction of chemicals or the application of warning for new products, with specific focus on settlements addressing DEHP, DINP or DBP, including the acquisition and testing of new products within the categories of consumer products covered by this Consent Judgment; (2) PUBLIC OUTREACH (10-15%): Participation in regulatory proceedings and rulemakings related to the sale and/or use of consumer products containing

phthalate chemicals, as listed under Proposition 65; maintenance of the organization's website, to include updated information of new phthalate-related reformatory efforts, recent chemicals of interest, articles designed to explain the impact and effect of phthalates, and other items of information as they relate to California consumers; production and distribution of electronic newsletters to CAPA members regarding relevant phthalate-related information, ensuring continued consumer awareness of potential risks associated with phthalate exposures in consumer goods; and public service announcements about the risks caused by exposures to phthalates; (3) SPECIAL PROJECTS (5-10%): projects involving consultation with experts not specific to any one consumer product but to a category of products to determine and assess consumer phthalate exposure probabilities under differing scenarios to consider viability of enforcement initiatives; (4) PRODUCT DATABASE (5-10%): maintenance of CAPA's product database, including past enforcement actions, ongoing compliance initiatives and new products sold to consumers in California.

(d) Documentation of Payment Usage

CAPA will maintain documentation, in the form of business records, detailing how the ASP was allocated and disbursed, consistent with the description above, and shall, upon request by the Attorney General, provide documentation of such activities and distributions, within thirty (30) days of such request. CAPA shall only utilize the ASP according to its intended purposes, pursuant to California Code of Regulations § 3204(b).

3.4 Reimbursement of Attorneys' Fees and Costs

The parties acknowledge that CAPA and its counsel offered to resolve this dispute without reaching terms on their fees and costs. Shortly after the Parties finalized the other material settlement terms, they then negotiated and reached an accord on the compensation to be paid to CAPA and its counsel, under general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution of this Consent Judgment and court approval of the same, but

exclusive of fees and costs on appeal, if any. Miniso agrees to pay \$30,000 by a check made payable to "Gates Johnson Law", for all fees and costs incurred investigating, bringing this matter to Miniso's attention, litigating, and negotiating a settlement in the public interest.

3.5 Payment Timing; Payments Due in Trust

All payments payable and due under this Consent Judgment shall be held in trust until the Court approves the Parties' settlement, pursuant to Section 5. Miniso shall deliver its civil penalty payment, additional settlement payment, and attorneys' fee reimbursement payment to its counsel, Pyng Soon, Esq., within fifteen (15) days of the date that this Consent Judgment is fully executed by the Parties. Miniso's counsel shall provide CAPA's counsel with written confirmation following its receipt of the settlement funds and shall continue to hold the settlement funds in trust, until the Court grants the motion for approval of this Consent Judgment. Within five (5) days of the Effective Date, Miniso's counsel shall disburse the funds to CAPA's counsel at the payment address listed in Section 3.6, below.

3.6 Payment Address

All payments required by this Consent Judgment shall be delivered to the following address:

Gates Johnson Law Attn: Kimberly Gates 2822 Moraga Street San Francisco, CA 94122

4. <u>CLAIMS COVERED AND RELEASED</u>

4.1 CAPA's Release of Proposition 65 Claims

CAPA, acting on his own behalf and in the public interest, and on behalf of its past and current agents, representatives, attorneys, successors an assignees ("Releasors") releases Miniso and its parents, subsidiaries, affiliated entities under common ownership, directors, officers, employees, and attorneys ("Releasees") and each entity to whom Miniso directly or indirectly distributes or sells the Products including, but not limited to, its downstream distributors, wholesalers, customers, retailers (including, without limitation, Miniso Depot CA Inc.)

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franchisers, cooperative members, licensors and licensees (Downstream Releasees) for any violations arising under Proposition 65 for unwarned exposures to DEHP, DINP and/or DBP from the Products manufactured, imported, distributed, sold or offered for sale by Miniso prior to the Effective Date, as set forth in the Notices. Compliance with the terms of this Consent Judgment constitutes compliance with Proposition 65 by Miniso with respect to the alleged or actual failure to warn about exposures to DEHP, DINP and/or DBP from Products manufactured, sold or distributed for sale by Miniso after the Effective Date.

4.2 CAPA's Individual Release of Claims

CAPA, in its individual capacity only and *not* in his representative capacity, also provides a release to Miniso, Releasees, and Downstream Releasees which shall be effective as a full and final accord and satisfaction, as a bar to all actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities and demands of CAPA of any nature, character or kind, whether known or unknown, suspected or unsuspected, arising out of alleged or actual exposures to DEHP, DINP and/or DBP in Products manufactured, imported, distributed, sold or offered for sale by Miniso prior to the Effective Date. Nothing in this Section shall affect CAPA's right to commence or prosecute an action under Proposition 65 against a Releasee or Downstream Releasee that does not involve Miniso's Products.

4.3 Miniso's Release of CAPA

Miniso, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors and/or assignees, hereby waives any and all claims against CAPA, its attorneys and other representatives, and Releasors, for any and all actions taken or statements made (or those that could have been taken or made) by CAPA and his attorneys and other representatives in the course of investigating the claims alleged in the Notices, seeking to enforce Proposition 65 against it in this matter, or with respect to the Products.

5. <u>COURT APPROVAL</u>

This Consent Judgment shall be null and void if, for any reason, it is not approved and entered by the Court within one year after it has been fully executed by all Parties. CAPA and Miniso agree to support the entry of this agreement as a judgment, and to obtain the Court's approval of their settlement in a timely manner. The Parties acknowledge that, pursuant to California Health and Safety Code § 25249.7(f)(4), a noticed motion is required for judicial approval of this Consent Judgment, which motion CAPA shall draft and file. In furtherance of obtaining such approval, the Parties agree to mutually employ their best efforts, and those of their counsel, to support the entry of this agreement as a judgment, and to obtain judicial approval of their settlement in a timely manner. For purposes of this section, "best efforts" shall include, at a minimum, supporting the motion for approval, responding to any objection that any third-party may file or lodge, and appearing at the hearing before the Court if so requested.

If, for any reason, this Consent Judgment, as executed and submitted for judgment, does not meet with the Court's approval at or before the motion to approve hearing, the Parties agree to meet and confer within thirty (30) days of the Court's rejection to address the portion, or portions, of the Settlement meeting with the rejection. The Parties further agree they will utilize their best efforts to revise the section(s) of this Consent Judgment that do not meet with approval, and, in a timely and efficient manner, amend and execute a revised or amended Agreement, such that any subsequent Consent Judgment submitted for judgment on a noticed motion will meet with approval.

6. <u>SEVERABILITY</u>

If, subsequent to the Court's approval and entry of this Consent Judgment as a judgment, any provision of this Consent Judgment is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected.

7. GOVERNING LAW

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The terms of this Consent Judgment shall be governed by the laws of the State of California and apply within the State of California. In the event that Proposition 65 is repealed, preempted, or is otherwise rendered inapplicable by reason of law generally, or as to the Products, then Miniso may provide CAPA with written notice of any asserted change in the law, and shall have no further injunctive obligations pursuant to this Consent Judgment, with respect to, and to the extent that, the Products are so affected. Nothing in this Consent Judgment shall be interpreted to relieve Miniso from its obligation to comply with any pertinent state or federal law or regulation.

8. NOTICE

Unless specified herein, all correspondence and notice required by this Consent Judgment shall be in writing and sent by: (i) personal delivery, (ii) first-class registered or certified mail, return receipt requested; or (iii) a recognized overnight courier to any Party by the other at the following addresses:

For Miniso:

Xiangbin Liang, President USA Miniso Depot Inc. 2035 Sunset Lake Road, Ste B-2 Newark, DE 19702

With a Copy to:

Pyng Soon, Esq. 17870 Castleton Street, Ste. 215 City of Industry, CA 91748

For CAPA:

Kimberly Gates Johnson, Esq. Gates Johnson Law 2822 Moraga Street San Francisco, CA 94122

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Any Party may, from time to time, specify in writing to the other Party a change of address to which all notices and other communications shall be sent.

9. <u>COUNTERPARTS, FACSIMILE AND PDF SIGNATURES</u>

This Consent Judgment may be executed in counterparts and by facsimile or portable document format (pdf) signature, each of which shall be deemed an original and, all of which, when taken together, shall constitute one and the same document.

10. COMPLIANCE WITH REPORTING REQUIREMENTS

CAPA and its counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

11. ENTIRE AGREEMENT

This Consent Judgment contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged herein and therein. There are no warranties, representations, or other agreements between the Parties except as expressly set forth herein. No representations, oral or otherwise, express or implied, other than those specifically referred to in this Consent Judgment have been made by any Party hereto. No other agreements not specifically contained or referenced herein, oral or otherwise, shall be deemed to exist or to bind any of the Parties hereto.

MODIFICATION

This Consent Judgment may be modified only by: (i) a written agreement of the Parties and the entry of a modified Consent Judgment by the Court thereon; or (ii) upon a successful motion of any party and the entry of a modified Consent Judgment by the Court thereon.

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	tecute this Consent Judgment on behalf of their	
respective Parties and have read, understood, and agreed to all of the terms and conditions of		
Consent Judgment.		
AGREED TO:	AGREED TO:	
Date: 9/18/2019	9/18/19 Date:	
By:	By: Kwai Man Leung, Seeretary USA MINISO DEPOT INC.	
AWARENESS		